

ISSUE DATE: January 21, 1999

DOCKET NO. E-002/M-98-1878

ORDER CONVENING TECHNICAL CONFERENCE

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Edward A. Garvey  
Joel Jacobs  
Marshall Johnson  
LeRoy Koppendraye  
Gregory Scott

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of the Informational Filing and  
Request for Technical Conference by Northern  
States Power Regarding Electric Cost-  
Separation Methods

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**PROCEDURAL HISTORY**

On December 18, 1998, Northern States Power Company (NSP) filed —

- a document setting forth its proposed cost-separations methods, and
- a request for a technical conference to discuss the merits of the proposed cost-separation methods, and the propriety of using them in future regulatory proceedings.

Significantly, in its filing NSP did not seek Commission approval of its cost-separation methods.

On December 31, 1998, the Commission gave notice of its intent to hold a meeting on NSP's request on January 12, 1999.

On January 12, 1999, the matter came before the Commission. The Commission heard oral argument from all persons who wished to speak. The Department of Public Service (the Department), Minnesota Power (MP), NSP, and the Office of Attorney General's Residential and Small Business Utilities Division (OAG-RUD) each addressed the Commission.

**FINDINGS AND CONCLUSIONS**

**I. Jurisdiction**

NSP's request comes within the Commission's jurisdiction. Minnesota Statutes § 216B.10 gives the Commission authority to establish systems of accounts to be used by public utilities. Minnesota Statutes § 216A.05 gives the Commission broad authority to make investigations, hold hearings and issue orders in carrying out its statutory responsibilities.

## **II. Notice of Filing**

NSP served its proposed plan on the Department of Public Service (the Department), the Residential and Small Business Utilities Division of the Office of Attorney General (RUD-OAG), and on parties listed in NSP's general service list.

According to the filing, other persons wishing to receive a copy of the filing may contact NSP at (612) 330-5925 and request one.

## **III. Variance of Procedural Rules**

Minnesota Rules part 7829.1400 prescribe a procedure for dealing with miscellaneous tariff filings, including a 30-day comment period. The rule, at subpart 7, also provides for varying that comment period for good cause. NSP asked the Commission to suspend comments pending one or more technical conferences. NSP suggests that the give-and-take of a technical conference might better facilitate the exploration of such a detailed document as NSP's filing. All parties commenting at the Commission's January 12 meeting agreed to the desirability of a technical conference. The Commission finds this approach reasonable, and will vary rule 7829.1400 accordingly.

## **IV. Referral to Office of Administrative Hearings**

The Commission will refer this matter to the Office of Administrative Hearings (OAH). OAH's expertise in mediating disputes in complex matters between parties with competing views, and in developing a reliable, disciplined record on factual issues, is well suited to the present matter.

## **V. Issues to be Addressed**

The Commission refers to the OAH all matters in the filing. The Commission asks the OAH to develop a report —

- summarizing the issues identified by participants,
- summarizing the participants' positions with respect to each issue,
- analyzing the legal, factual and policy aspects of each issue,
- identifying the evidence supporting and opposing the positions,
- identifying areas of consensus and
- describing the barriers to consensus, if any.

Toward this end, the Commission authorizes the OAH to conduct any necessary proceedings and discovery, and to develop a record on any relevant factual matters. Given that NSP does not seek Commission approval for its cost-separation method, however, the Commission will not require recommendations on areas of dispute.

## **VI. Procedural Outline**

### **A. Administrative Law Judge**

The Commission understands the OAH has designated Judge Steve M. Mihalchick to preside in this proceeding. His address and telephone number are as follows: 100 Washington Square, Suite 1700, 100 Washington Avenue South, Minneapolis, MN 55401-2138; (612) 349-2544.

### **B. Procedure**

The times, dates, and places of conferences and hearings in this matter will be set by order of the Administrative Law Judge after consultation with the Commission and participants, with the exception of the initial conference set forth below.

### **C. Initial Conference**

An initial conference will be held on Wednesday, February 3, 1999 at 1:30 p.m. in the Large Hearing Room, Public Utilities Commission, 121 7th Place East, Suite 350, St. Paul, Minnesota 55101-2147.

Participants attending the conference should come prepared to discuss time frames and scheduling. Other matters which may be discussed include the need for evidentiary hearings, the locations and dates of hearings, discovery procedures, and similar issues.

### **D. Time Constraints**

Given the evolving nature of electric regulation at the federal level, the Commission wants to begin the exploration of NSP's filing without delay. The Commission respectfully asks the OAH to conduct any appropriate proceedings and return a report to the Commission by April 15, 1999. However, the Commission delegates to its Executive Secretary the authority to vary time lines set under this Order.

## **ORDER**

1. Northern States Power Company's request for a proceeding on the merits of its proposed electric cost-separation methods is hereby granted and referred to the Office of Administrative Hearings to conduct the necessary proceedings as provided above.
2. Documents submitted to the ALJ shall be filed simultaneously with the Commission.
3. The proceeding shall begin with an initial conference on Wednesday, February 3, 1999, at 1:30 p.m. in the Large Hearing Room, Public Utilities Commission, 121 7th Place East, Suite 350, St. Paul, Minnesota 55101-2147.
4. Minnesota Rules, part 7829.1400, is varied to suspend the schedule of comments set forth therein.
5. The Executive Secretary shall have the authority to vary Commission-imposed time periods in this docket.

6. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar  
Executive Secretary

(S E A L)

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